

# THE TRENDS THAT ARE AFFECTING US.



Like many of you, for us last year was a year that at least towards the end brought back renewed business activity and a fresh sense of optimism. As I make the first of the year phone calls I am finding an interesting

trend being discussed.

With all of the renewed activity and new flight department start-ups does anyone see what I am seeing and hearing? Does anyone see that much of the inventory coming into the resale market is often from large old-line flight departments that are shrinking, or worse, closing?

Does anyone see the fact that these aircraft are in most cases not being replaced when sold? Does anyone outside of these shrinking departments see the trend? If not, let's explore it. If so, let's try to find collaborative ways to head it off or minimize the overall effects.

Just a change in department size for the sake of mission or fleet transition is one thing. Often corporate missions change and distribution of product or

end of the alternatives to fractional or hybrid fractional at the high end. This trend, born in most part by corporate viewing the department as a part of an "old culture image", focuses less on cost and more on deliverables! This is not to say that flight department costs were not checked or watched and managed carefully, but rather with this new change, the benefits of the flight departments as described above are not considered as vital as before.

The internal process at the corporate level with this new focus is not considering the flight department as capable of being able to shift to a leaner, less frills deliverable. This is tragic. Quite often, in fact, the perceived solution is to disband the flight department and hire an outside company to take over the transportation and in some cases at a higher per mile or hour cost. Corporate who is often driven by third party outside consultants and auditors is overlooking its own internal flight department management and not trusting that the change may be put into effect from within.

What can be done? The answer is complex and every department situation is different. In some cases there is an actual reduction in need based on corporate strategies changing. This can be more easily managed. That solution

department must begin well before the questions start to come from third party auditors. The flight department managers must be keener than ever to anticipate the cultural changes taking place at the corporate level and begin immediately and in clear view of corporate to demonstrate that one can manage the flight department with the new corporate expectation. It's the responsibility of the flight department manager, to be more responsive to the changing culture of the company.

So are you all seeing this trend as well? Are you seeing valuable flight departments downsize or close? In this new period of optimism, do not let new corporate culture create change that is so drastic that it eliminates you. You, as flight department management, must create the optimism of continued flight department existence by demonstrating daily that you can manage to the new expectation and you create the very solution that corporate says it needs but does not currently have.

Over the next three months, we will be having a series of live, streamed roundtables at our website, [www.jetsales.com](http://www.jetsales.com). They will be focusing on this very trend. We will be looking at it through the eyes of corporate, through outside providers and through the eyes of those successful department managers

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merger or acquisition make flight department change necessary. This is different. What I am seeing happen is more of a cultural change at a corporate level that no longer seems to recognize the value of the department. A department that is providing safe, secure, private travel solutions. It's the one that puts its corporate executives out in the field, out ahead of its competition and out in front of its customers. I see a shift in the focus of corporate policy to one of sheer transportation. This often finds corporate looking for solutions, if you can believe it, in increased airline travel at the low

requires a new round of mission profiling and fleet transition analysis. The more difficult chore is to watch as corporate begins to ask about the value of the assets that are managed. For instance, the call from corporate that asks "how many more years are on our airport asset leases?" "Get me some feedback or current hangar rates at the airport".

These are the give away questions. Often flight department's feedback will no longer be considered, as now the solutions begin to get formulated by outside parties. The answer for the flight

that are working hand in hand with corporate to deliver the new culture and not be eliminated by it. These will begin in March. Our first Roundtable date will be Wednesday, March 17th. Please go to our site and visit the "Aviation Leadership Roundtable" section for sign up and programming time information. Your participation could be your first step towards delivering into the new culture.

■ Jay Mesinger is the CEO of J. Mesinger Corporate Jet Sales, Inc. He hosts the Aviation Leadership Roundtable found at [www.jetsales.com](http://www.jetsales.com) and is also the Vice Chairman of NARA (National Aircraft Resale Association).